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February 1, 2004

Ref: 2976-22054

Honorable James H. Welsh
Commissioner of Conservation
Post Office Box 94275
Baton Rouge, LA 70804-4275

Re: Hearing Application
Duval SUG and Duval Sand, Reservoir D
LAPEYROUSE FIELD
Terrebonne Parish, Louisiana
Applicant: Castex Energy, Inc.

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of **Castex Energy, Inc.** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Duval Sand, SUG, and Duval Sand, Reservoir D, Lapeyrouse Field, Terrebonne Parish, Louisiana.

1. To dissolve the existing drilling and production unit created as the Duval SUG, by Office of Conservation Order No. 416-A-5, as revised by 416-A-6 and 416-A-7 and the existing drilling and production unit created as the Duval Sand, Reservoir D by Office of Conservation Order No. 416-A-12 and to simultaneously create a revised single drilling and production unit of approximately 439 acres for the Duval Sand, SUG, designated as the DUVAL SUG, Lapeyrouse Field, Terrebonne Parish, Louisiana, all as shown more particularly on the attached plat;
2. To establish rules and regulations governing the exploration for and production of gas and condensate from the said sand unit;
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created, with each tract sharing in unit production on a surface acreage basis of participation;
4. To designate a unit operator and a unit well for the unit created herein;

GAMD-laf:28697-1

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5. To find that, except to the extent contrary to the order granted by the Commissioner in connection with the hearing held on this application, the provisions of Office of Conservation Order Nos. 415-A-5, 416-A-6 and 416-A-7 shall remain in full force and effect, and
6. To consider such other matters relating to the subject reservoir as may be appropriate and justified by the evidence presented at the public hearing.

The Duval Sand, SUG, in the Lapeyrouse Field, Terrebonne Parish, Louisiana was previously defined in Office of Conservation Order No. 416-A-5, effective May 1, 1962, as revised by Office of Conservation Order No. 416-A-6 and 416-A-7.

The Duval Sand, Reservoir D, in the Lapeyrouse Field, Terrebonne Parish, Louisiana was previously defined in Office of Conservation Order No. 416-A-12, effective August 24, 2004.

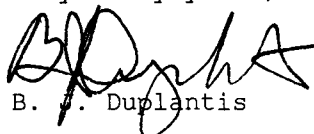
In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, the Commissioner of Conservation, the District Manager of the Lafayette District of the Office of Conservation and all interested owners, represented parties and interested parties known to the applicant after a reasonable search were notified in writing in the pre-application notice dated January 21, 2005 that a conference to discuss the proposed application was tentatively scheduled for 10:00 a.m. on Monday, February 14, 2005. It was stated at that time that this conference would be held only if a request to confer were received by the undersigned within ten (10) calendar days after the date of the pre-application notice. No requests to confer were received either in writing or by telephone and, in accordance with the Rules of Procedure, the tentatively scheduled conference **WILL NOT BE HELD**.

Attached hereto and made a part hereof is a plat outlining the Duval SUG, Terrebonne Parish, Louisiana, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties. Upon receipt of the legal notice in the captioned matter, the notice will be posted, published and mailed in accordance with Rule 7 of the Rules of Procedure.

Any pertinent data relating to the proposed unit can be obtained, AT THE COST OF THE REQUESTING PARTY, from Mr. Art Christy of W. H. Robbins & Associates, 302 La Rue France, Suite 100, Lafayette, La 70508 (337) 232-5004.

Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,


B. J. Duplantis

BJD/ht
Attachments
cc: Mr. Richard D. Hudson, District Manager

All Interested Owners, Represented Parties and
Interested Parties

